BIOTEC PHARMACON

Immunity for Life ™

Third quarter and first nine months 2008

CEO Lars Viksmoen
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30 October, 2008

Operational Highlights

- **Focus on Pharma: Divestment of Immunocorp Animal Health**
- **Clinical development: Phase III progress according to plan**
  - Enrolled more than 75% of planned 120 patients in first phase III study with SBG for diabetic ulcers; results from interim analysis in November
  - Patient inclusion started in first phase III study with SBG for oral mucositis
  - Starting patient inclusion in the other two phase III studies; diabetic ulcers in November, oral mucositis later in Q4
  - Filing for marketing authorisations targeted for mid-2010
- **Non-pharma: Revenue growth and return to positive EBITDA**
- **Cash reserve: Preserved at >NOK 150 million YTD**

Financial Highlights for Q1 and H1 08

	Q3 08	Q3 07	9M 08	9M 07
Revenue	13.1	11.2	38.6	34.7
EBITDA, non-pharma	1.2	-0.2	-2.3	2.1
EBITDA, pharma R&D	-15.2	-5.1	-36.1	-16.3
EBITDA, unallocated	-4.3	-2.9	-9.4	-9.0
EBITDA, total	-18.3	-8.3	-47.8	-23.2
Result after tax, continued operations	-13.2	-5.5	-40.5	-16.3
Result after tax, discontinued operations	26.8	1.2	27.2	2.2
Net result for the period	13.6	-4.3	-13.3	-14.1

Divestment of Immunucorp Animal Health AS

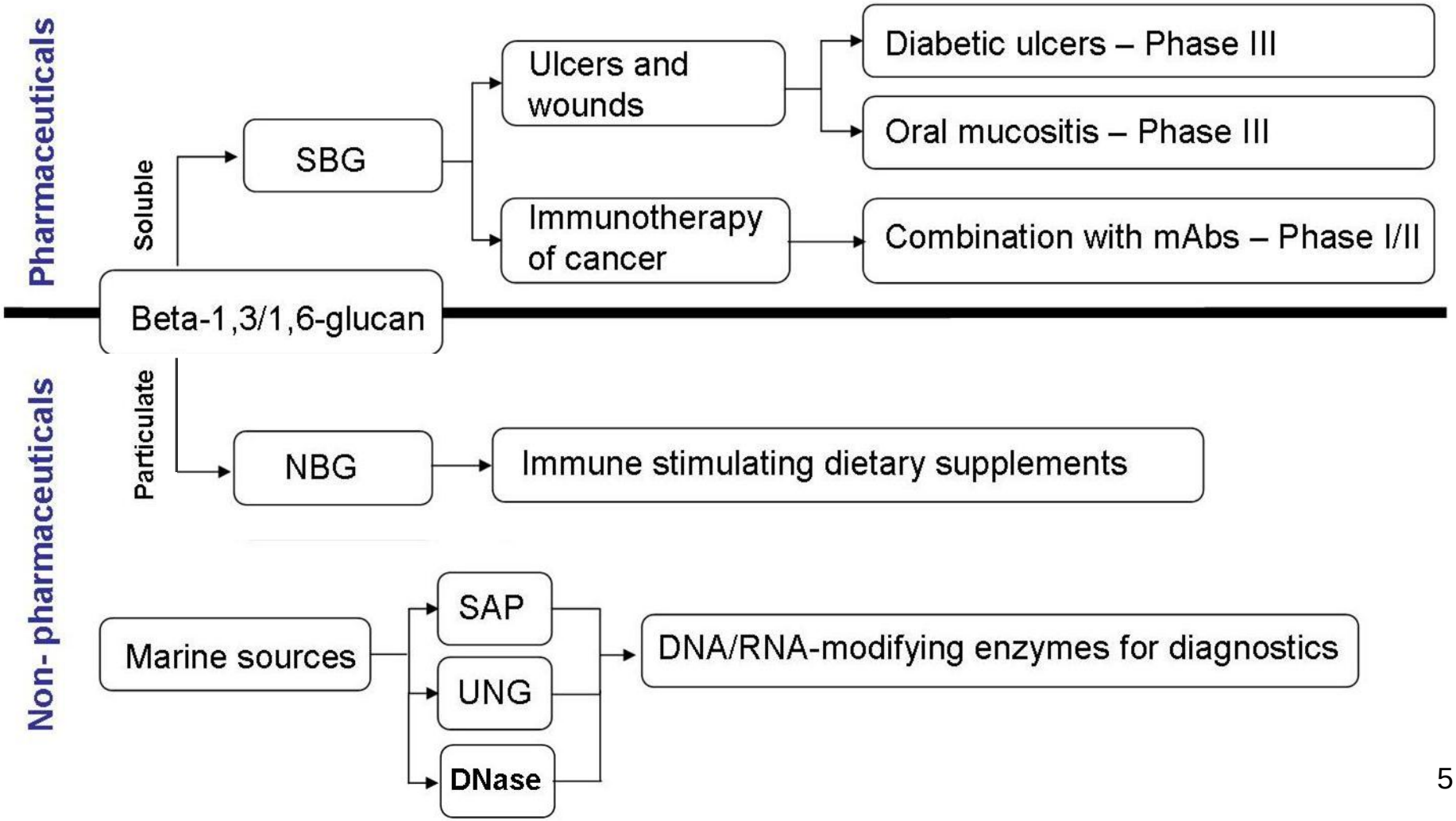
Sales to Biorigin SA in Brazil completed on 1 September

- **Net cash proceeds:** NOK 34.6m
- **Divestment gain:** NOK 32.6m
- **Deal structure:** 100% of shares, incl. patents, trademarks, domains and licence agreements

- Divestment made both strategic and financial sense
  - Loss making business with negative cash flow from operation in the first nine months 2008

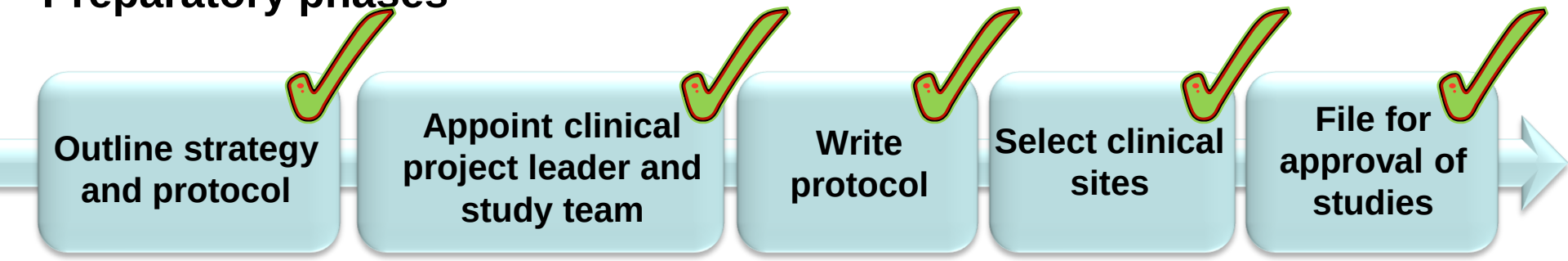
Biotec Pharmacon ASA

The biopharmaceutical company/business in brief



Clinical Study Processes

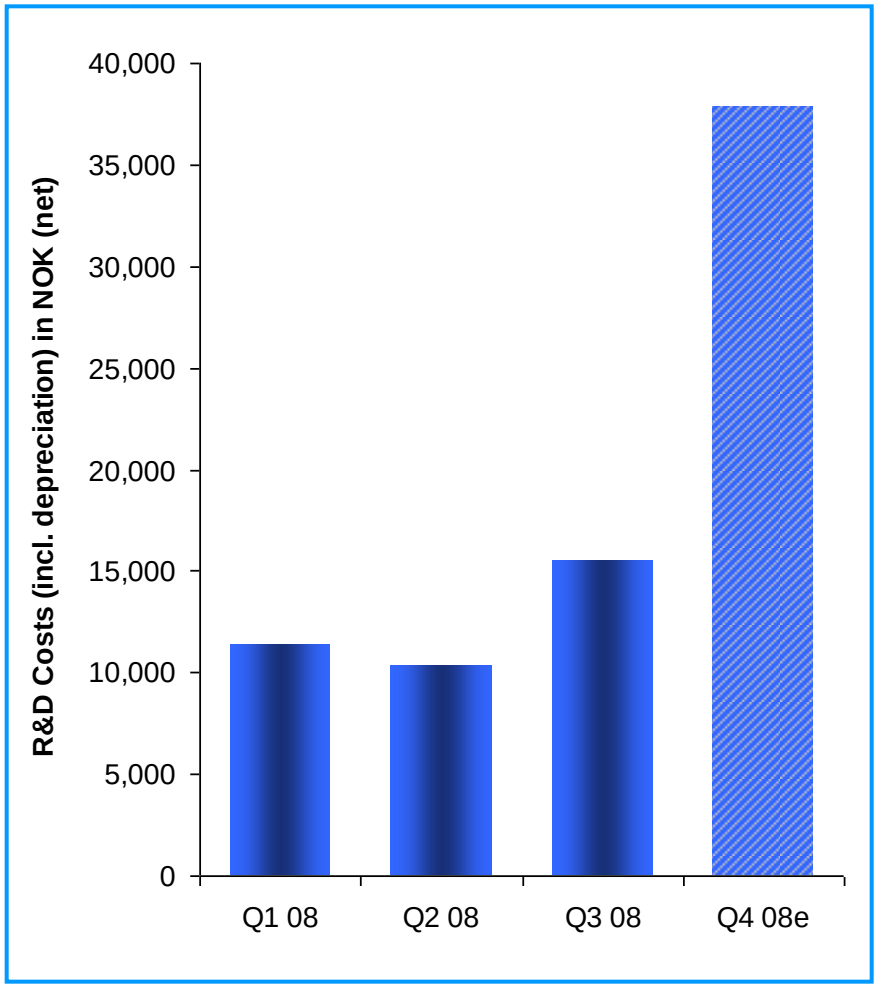
Preparatory phases



Implementation phases

R&D Cost Development

Increasing with broader phase III program



- Total R&D costs estimated at ~NOK 75 million for FY 2008
  - Low-end of previous range
  - Exact amount depends on start of individual phase III centers and direct patient enrolment costs
- Total external costs in line with budgets
  - R&D cost estimate includes ~NOK 35 million in external costs in 2008
  - Further external costs of ~NOK 55 million in 2009 and 2010

Diabetic Ulcers – Clinical Program

Clinical phase	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Phase III, Nottingham, UK												
Phase III, Europe/Eastern Europe												

- First phase III study ongoing in UK (Nottingham)
  - Enrolled 94 of the planned 120 patients
  - Results from blinded interim analysis in November, to assess potential adjustment of sample size
  - Full study results expected in Q3 2009, provided no adjustment in sample size
- Patient enrolment starting in second phase III study in Q4
  - Planning for 120 patients, 17 centres in 3 countries
  - All necessary study approvals in two countries, approval from ethical review committee approval in the third – ready to start patient inclusion in November
  - Data expected to be ready for analysis late 2009

Oral Mucositis – Clinical Program

Clinical phase	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Phase III, Europe												
Phase III, Eastern Europe												

- Patient enrolment started in European phase III study in October
  - Planning for 120 patients at ~20 centres in three countries in Europe
  - Received approvals for the majority of the centres
  - Data expected to be ready for analysis late 2009
- Completed protocol for the East-European phase III study
  - Patient enrolment to start towards the end of the quarter
  - Planning for 120 patients at ~20 centres in four countries in East-Europe
  - Data scheduled to be ready for analysis early 2010

Immunotherapy of Cancer

- **Neuroblastoma:**
  - Patient inclusion nearing completion (44/45 patients); last patient expected in November
  - Maintained good safety profile, safety results expected by year-end
  - Decision on further study progress in Q1 2009
- **Non-Hodgkin's lymphoma:**
  - Patient inclusion completed (12/12 patients)
  - Safety data expected to be available in early 2009
- **Breast cancer:**
  - Still slow progress in the patient inclusion process (7/12)

Immunocorp Consumer Health

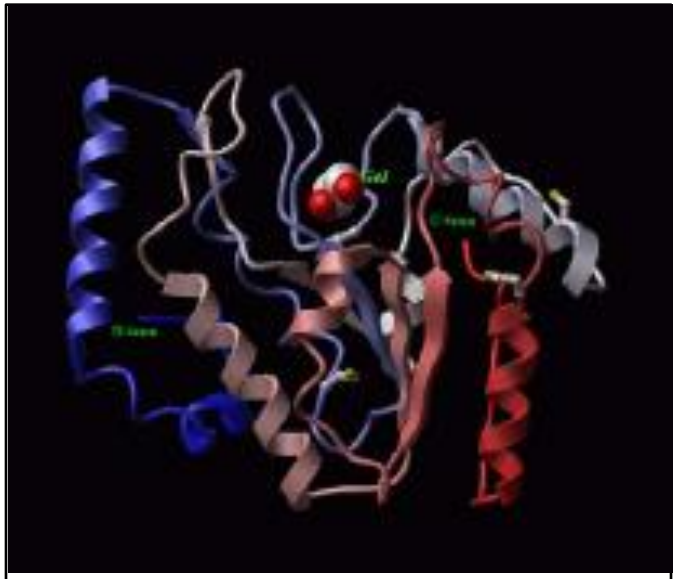
nbg® 24:7 series - dietary supplements and skin creams

- Revenue increase of 14% in Q3 and 16% first nine months
  - **Norway:** Strong sales growth due to increased distribution and marketing
  - **US:** Sales decline in Q3 due to lower direct mail advertising and generally softer consumer demand
- Focus on dietary supplements going into the winter season
- Plans for broadening of skin care product range
- In talks with 3rd party partners for international sales and distribution

Marine Biochemicals

Enzymes for the genetic R&D and diagnostics

- Revenue increase of 26 % in Q3 but decline of 10% in 9M ‘08
  - Positive SAP sales development in Q2 and Q3 after de-stocking at re-sellers in Q1
  - Stable Cod-UNG sales to Invitrogen
- Market outlook remains healthy for SAP
- Establishing additional diagnostics partner for Cod-UNG



Molecular structure of Atlantic Cod-UNG

Financial Figures

Third Quarter and First Nine Months 2008

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EBITDA, total	-18.3	-8.3	-47.7	-23.2
EBIT	-19.1	-9.1	-50.2	-25.8
Net financial items	1.6	1.9	5.5	3.1
Profit before tax, continued operations	-17.4	-7.1	-44.7	-22.7
Result after tax, continued operations	-13.2	-5.5	-40.5	-16.3
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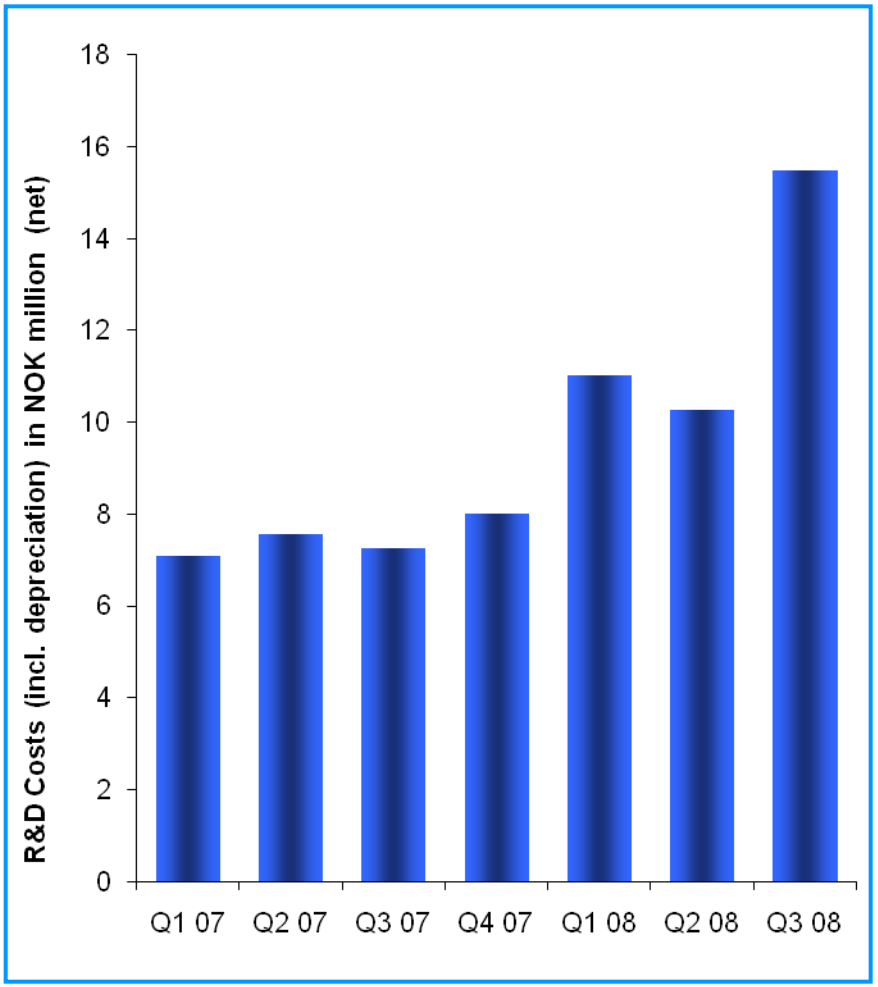
Non-pharmaceuticals

Non-pharma (NOKm)	Q308	Q3 07	%-chg.	9M08	9M07	%-chg.
Consumer Health products	10.0	8.7	14%	30.8	26.1	18%
Marine Biochemicals	3.0	2.4	25%	7.6	8.4	-10%
Other	0.1	0.1	-21%	0.2	0.2	12%
Revenue non-pharma	**13.1**	**11.2**	**16%**	**38.6**	**34.7**	**11%**
Cost of goods sold	0.7	0.4		3.7	1.4	
Other operating expenses	11.2	11.1		37.1	31.3	
EBITDA	**1.2**	**-0.2**		**-2.3**	**2.1**	
Depreciation	0.5	0.5		1.5	1.6	
EBIT	**0.7**	**-0.7**		**-3.8**	**0.5**	

R&D Cost Development

Increasing with breadth of phase III program

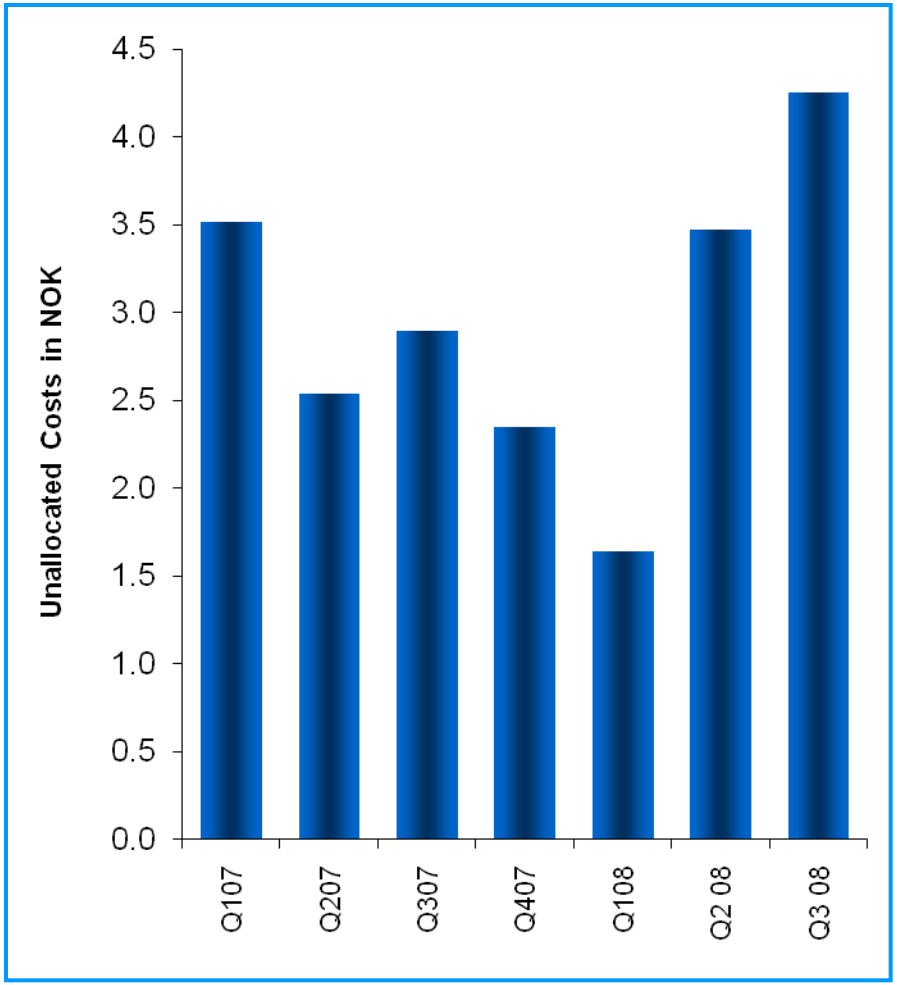


- Increase reflects;
  - CRO-agreement
  - Increased basic research & pre-clinical
  - Strengthened own organization
- Further increase in Q4;
  - Preparations and start-up of three more phase III studies
  - Mobilization of study centers and direct patient enrolment costs

Un-allocated Costs

Patent dispute case nearing decision points

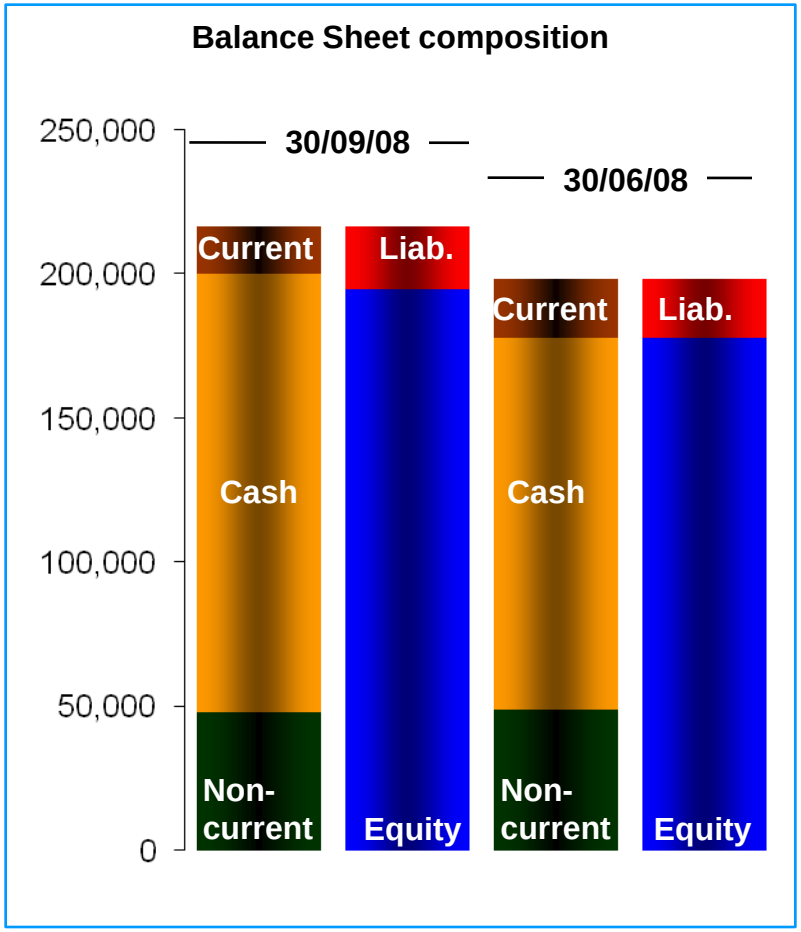
- Mainly reflects costs related to patent dispute case
- Ruling on filed summary judgement motions was expected in Q3, but has been delayed



Consolidated Balance Sheet

Condensed figures

(NOK '000)	30.09.08	30.06.08	31.12.07
Non-current assets	48 221	48 899	49 707
Cash and cash eq.	152 135	129 204	151 700
Other current assets	16 398	20 193	18 131
Total current assets	168 533	149 397	169 831
Assets	**216 755**	**198 297**	**219 538**
Equity	194 783	177 919	204 041
Liabilities	21 972	20 378	15 497
Equity & Liabilities	**216 755**	**198 297**	**219 538**
CF from operation YTD	-30 867	-20 823	-25 986
Cash Flow YTD	339	-22 302	88 836
Equity Ratio	90%	90%	93%



Outlook 2008

- Ongoing patient inclusion in all phase III studies by end year
- Diabetic ulcers study blinded interim analysis by the end of November
- Safety data from phase I/II cancers studies
- Total R&D cost estimate of ~NOK 75 million for FY ’08, whereof external costs of ~NOK 35 million
- Positive revenue outlook for both non-pharmaceutical businesses

Outlook beyond 2008

- **First half 2009:**
  - Interim analysis for one phase III study
  - Decision on next steps with regards to cancer program
  - FDA Guidance Meeting
- **Second half 2009:**
  - Results from first phase III study for diabetes ulcer
  - Interim analysis for remaining phase III studies
  - Enter partnership deal
- **Mid-2010:**
  - On track to meet schedule for filing for marketing authorisation in Europe for both diabetic ulcers and oral mucositis